

TRADE & INDUSTRY DEVELOPMENT™

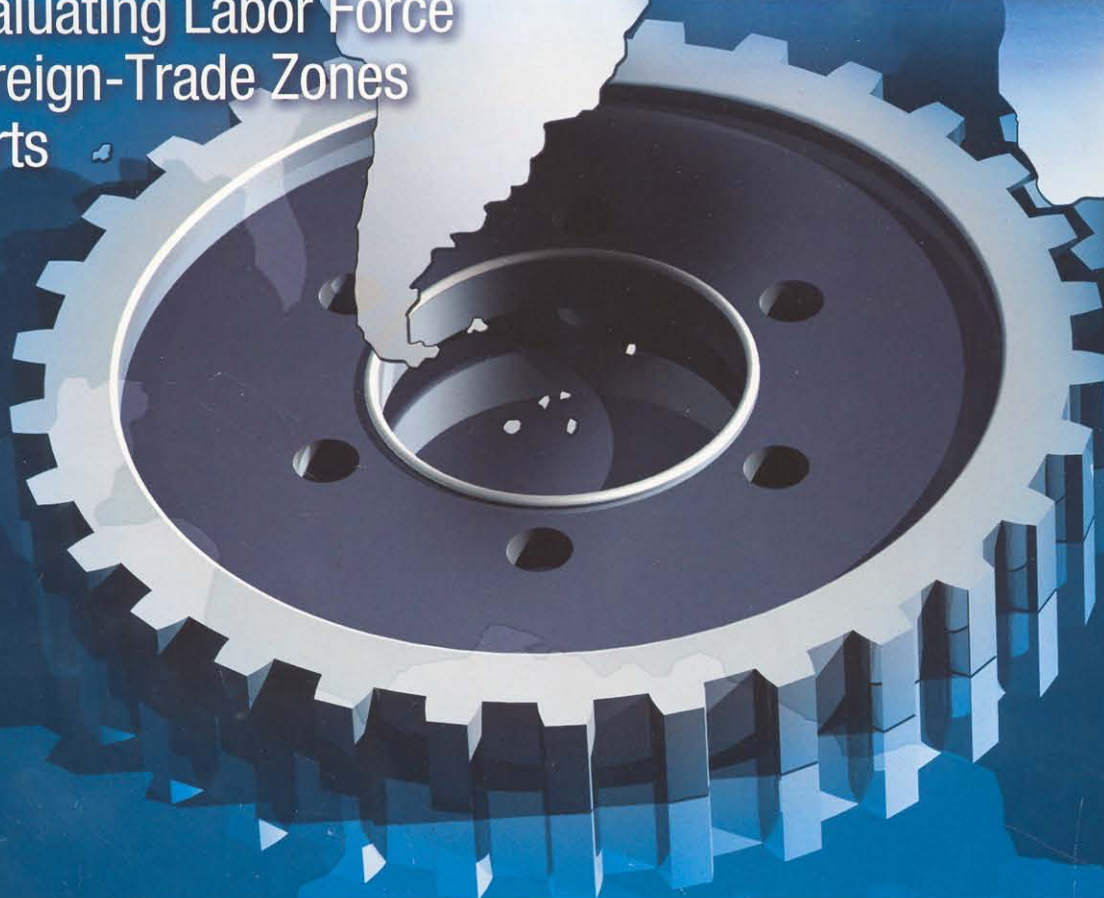
Defining Corporate Strategies For Growth

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September/October 2007

Manufacturing

- Tax & Incentive Strategies
- Evaluating Labor Force
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Department of Economic and Community Development

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Matthew Kisber
Commissioner

Phil Bredesen
Governor

Dear Trade and Industry Development Readers:

Tennessee's central geographic location, excellent access to markets, productive and available work force, and pro business climate, make the state an excellent location for companies seeking long-term growth and profitability.

Tennessee can give companies incomparable access to foreign and domestic markets as well. The state boasts seven major interstates, with 75 percent of the U.S. population accessible by ground within 24 hours. We also have the world's busiest cargo airport in Memphis and our proximity to hubs for FedEx and UPS are important for companies with time-sensitive delivery windows.

Tennessee has a number of new tools and significant amounts of funding to implement industry-specific incentives. With headquarters relocation credits, industrial machinery credits and new jobs tax credits, Tennessee can help companies generate a capital investment and new jobs. In addition, Tennessee will work with companies to adapt a customized training assistance program to meet an organization's specific needs.

In economic development circles around the country Tennessee is getting noticed. The state has been listed on highly-respected site selection lists as one of the best states in the country to do business.

We would welcome the opportunity to learn more about your business and discuss programs and incentives to help bring you home to Tennessee. For more information about Tennessee and its economic development programs, visit www.tnecd.gov or call (615) 741-1888.

Warmest Regards,



Phil Bredesen
Governor

Matthew Kisber

Matthew Kisber
Commissioner

From Paper to Power:

Tennessee Focuses on Performance Excellence



“We have a guiding leadership principle in Tennessee that we like to call ‘from paper to power,’” said Tennessee Governor Phil Bredesen. “This simple expression recognizes the fact that effective leaders go further by actually executing their goals, strategies and vision.”

Tennessee’s philosophy is being noticed in the business community. In 2006, the state had more than 700 new projects yielding more than \$3.5 billion in new investment, with nearly two thirds of those

new jobs created from existing industry. As a former business savvy CEO, Bredesen has one executive rule for his management team, “If you do things the way you’ve always done them, don’t be surprised to get the same results you’ve always gotten.”

“I took Governor Bredesen’s number one management rule to heart and we have applied it to every step we have taken to move Tennessee forward,” said Tennessee Economic and Community Development (ECD) Commissioner Matt Kisber.

As the state’s chief economic develop-

ment official, Kisber said the governor’s management rule resulted in “...our economic development programs going through more changes in the past 5 years than in the previous 30 combined. Our aggressive economic development tactics have made Tennessee a strong, global competitor. We have seen more than 108,000 jobs created over the past four years, representing a total investment of nearly \$13.4 billion dollars,” said Kisber. “Under Gov. Bredesen’s leadership, 28 major headquarters have relocated to our state and we have made numerous site selection lists as one of the best states in the country to do business.”

These accolades did not happen upon chance. Tennessee has a focused approach to attracting new opportunities to the state. From developing the concept of job creation as a partnership between the state and communities to offering job training incentives, Tennessee has improved human capital and public capacity to support job creation.

Tennessee has been especially successful in the biofuels sector. Tennessee biofuel manufacturers produce over 60 million gallons combined of biofuel each year, extracting soybean oil, which is then “fed” into the production process for biodiesel fuel. Tennessee is also home to one of the five largest ethanol production plants in the country – Tate and Lyle in Loudon, Tenn. Its annual capacity is 67 million gallons, with plans for expansion up to 100 million gallons. Gov. Bredesen has taken aggressive steps to involve Tennessee in promoting this important segment of the economy by creating the Alternative Fuels Working Group. This brought together the departments of Agriculture, Transportation, Environment and Conservation and Economic and Community Development to work on a comprehensive alternative fuel strategy for the state.

“With that single announcement, Governor Bredesen pushed Tennessee to the forefront of alternative fuels development in the U.S. and positioned our state for a role in the future energy needs of our country,” said Kisber. “At a meeting of the National Conference of State Legislators in San Antonio earlier this year, Tennessee’s efforts in this area were cited as a national model for combin- (Continued on page 48)

ing energy policy with economic development.”

From Shelby to Carter County, Tennessee has become a hot spot for biofuels manufacturing facilities to call home. The owners of Milagro Biofuels in Memphis chose Tennessee for their first refinery because they want to make an impact on Tennessee communities, and because it is evident that the state is making a serious commitment to alternative fuels.

Company President Diane Mulloy notes, “Our company mission is to refine our future with biodiesel. Our goal is to be an integral part of Tennessee’s transition to alternative fuels, one community at a time. Biodiesel will not only reduce our dependency on imported petroleum, but will also protect Tennessee’s environment, support our farm economy, and help the state comply with federal standards. Plus, investing in alternative fuels is the right thing to



do for our children - for their future.”

The state has budgeted \$61 million for a comprehensive alternative fuels strategy to position Tennessee to be a national leader in the production of biomass ethanol and related research. Tennessee is home to Oak Ridge National Laboratory (ORNL), which is the largest science and energy lab in the country employing over 4,100 and hosting 3,000 research guests annually. In June 2007, ORNL was awarded a \$125 million bioenergy research center from the U.S. Department of Energy (DOE) that will seek new ways to produce biofuels.



This announcement will further enhance Tennessee’s job creation and research efforts by bringing together experts in agricultural science, biology, engineering and commercialization to develop quicker and more cost effective processes for converting plants into fuels.

ORNL Director Jeff Wadsworth said the DOE project “will be a critical part of America’s efforts (Continued on page 50)



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over the next decade to develop alternatives to fossil fuels. I am proud that Oak Ridge will continue to play a leading role in addressing one of the nation's biggest scientific challenges."

Part of Tennessee's budget will also include \$10 million for the University of

Tennessee and ORNL to conduct additional research to increase switchgrass production and achieve efficiencies in the production of cellulosic ethanol. "The University of Tennessee is excited to be part of the ORNL team. The center's cutting edge research will leverage the state of Ten-

nessee investments in biofuels and make a lasting contribution to the nation's energy security," said Dr. John Petersen, president of the University of Tennessee.

Tennessee has become a major player in the transportation industry. The state is not only leading in research on fuels, but also home to great auto manufacturers like Nissan, GM, Toyota and nearly a thousand of their suppliers.

Nissan's Smyrna, Tenn., plant, is one of the largest automotive production plants under one roof with 5.2 million square-feet. In 2005, Nissan moved its corporate headquarters to Franklin, Tenn., bringing 1,300 jobs to the area. According to the University of Tennessee Center for Business and Research, the impact of those jobs will bring \$500 million of new personal income annually and the growth of 13,000 indirect jobs through supplier relationships and other business opportunities.

"The Nissan announcement was almost two years ago, but the effect it has had on our economy is very present," added Kisber. "Tennessee ranks No. 4 in car production and the industry itself employs approximately 122,000 citizens."

"We make cars in Tennessee, but we are also researching what will be fueling them in the next century," said Gov. Bredesen. "Our goal is to make biofuels more commercially available to all Tennesseans. The increased use of renewable fuels will have a significant impact in helping Tennessee reduce dependence on imported oil, benefit rural communities and our agricultural economy."

Tennessee has established a network of retail biofuel stations along interstates and major highways. Currently there are 32 retail biofuels stations in operation in Tennessee. Five offer both E85 (ethanol) and B20 (biodiesel), 25 sell B20 only and two stations offer E85 only. A map of existing retail biofuel stations can be found at www.biotenn.org.

"I believe we're at a critical point in which Tennessee can be a national leader in the development of the alternative fuels market," said Bredesen. "It's a smart energy strategy, a smart economic strategy and a smart environmental strategy."

For more information on doing business in Tennessee, please visit www.tnecd.gov. **T&ID**



Obion County TENNESSEE has what you need

INTERMODAL TRANSPORTATION NETWORK

Air
Everett Stewart Airport – The Tennessee Aeronautics Commission/FAA has approved long-range plans for runway extension from 5,000 feet to 7,000 feet. \$7.35 Million has been committed to expand the present runway to 6,500 feet along with other airport improvements. Future expansion will extend the runway to 7,000 feet.

Highway
Four Lane Corridors – Obion is currently served by two four-lane highway systems that provide direct access to I-40 to the south (SR-22 and SR-45) and tie I-24 East to I-55 West (US 51). Interstate 69 – New construction of 19 miles of I-69 through Obion County is planned to begin in early 2007 and with upgrades to current US 51 to interstate quality. A direct interstate linkage will connect I-24 to I-55 via the new I-69.

Water
The Northwest Tennessee Regional Port – The \$23 million deep-water port facility has been fully funded with all construction contracts with the US Army Corp of Engineers signed. The Corp has indicated that construction will begin this year with completion in 2008-09.

Rail
Canadian National Railroad (CN) – Obion is fully served by the CN Railroad, the only rail carrier on the North American continent that provides quality service from the Atlantic to the Pacific Coast and from Canada to the Gulf of Mexico with connections to all class I railroads.

Labor Supply
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Obion County

Joint Economic Development Council

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